

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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|---|--|--|---------------------|
| (1) DEPARTMENT Human Resources | (2) MEETING DATE 10/6/2015 | (3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959 | |
| (4) SUBJECT Submittal of a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Sheriffs Managers' Association, Bargaining Unit 15. All Districts. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board adopt a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Sheriffs Managers' Association, Bargaining Unit 15. | | | |
| (6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue. | (7) CURRENT YEAR FINANCIAL IMPACT \$59,815.00 | (8) ANNUAL FINANCIAL IMPACT \$118,825.00 | (9) BUDGETED? No |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____) | | | |
| (11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP N/A | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____ | |
| (17) ADMINISTRATIVE OFFICE REVIEW | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
781-5959

DATE: 10/6/2015

SUBJECT: Submittal of a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Sheriffs Managers' Association, Bargaining Unit 15. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Sheriffs Managers' Association, Bargaining Unit 15.

DISCUSSION

The San Luis Obispo County Sheriffs Managers' Association (SLOCSMA), Bargaining Unit 15 (BU15), represents a total of 12 employees in the following classifications:

| | |
|-----------------------------------|--------------|
| Sheriff's Chief Deputy | 2 Employees |
| Sheriff's Commander | 7 Employees |
| Sheriff's Correctional Lieutenant | 2 Employees |
| Sheriff's Correctional Captain | 1 Employee |
| Total | 12 Employees |

Consistent with the terms of the existing Memorandum of Understanding (MOU), on January 30, 2015, the County notified SLOCSMA of its intent to meet and negotiate a successor contract that was due to expire on June 30, 2015. The parties entered into negotiations on March 26, 2015 to negotiate changes to terms and conditions of employment. The parties were able to reach a tentative agreement for a successor MOU on August 26, 2015. The key details of the MOU are as follows:

Term:

- July 1, 2015 through June 30, 2017.

Wage Provisions:

- A 2.6% general wage adjustment retroactive to the pay period including July 1, 2015.
- A 2.5% general wage adjustment effective the pay period including July 1, 2016.

Pension Rate Increases:

- Employees will continue to share equally (50/50) in any pension rate increases as determined by the Pension Trust Board and adopted by the Board of Supervisors after receipt of actuarial data.

Health Coverage – Cafeteria Opt Out Provisions:

The County provides employees with a monthly Cafeteria Allowance benefit to offset costs associated with health insurance premiums. Employees have the option to elect health coverage provided by the County or they may

choose to waive the County's health insurance coverage ("opt out") with proof of other coverage. Participation in County-sponsored dental and vision is mandatory for all employees.

The County has been negotiating changes to the opt out provisions with all employee organizations to eliminate the cash out for employees who newly elect to opt out. The details of the provisions are as follows:

- The cash in lieu of medical insurance option will be eliminated for employees hired on or after January 1, 2016 who elect to opt out of a County-sponsored medical plan.
- Employees hired before January 1, 2016 who elect to opt out of a County-sponsored medical plan prior to January 1, 2016 will continue to receive the cash in lieu of medical insurance for as long as the employee continually elects to opt out after January 1, 2016.
- Employees hired before January 1, 2016 who newly elect to opt out of a County-sponsored medical plan on or after January 1, 2016 will not receive the cash in lieu of medical insurance.

Voluntary Employee Beneficiary Association (VEBA)

- An increase in VEBA (a post-employment health plan) from \$20,000 to \$25,000. In compliance with Article 23 of the attached MOU, at the time of separation from County employment, one-half of an employee's unused sick leave balance (up to 260 days) is converted to a dollar amount based on the employee's current rate of pay. Of that amount, up to a maximum of \$25,000, will now be placed into an account for the employee's post-employment health expenses that qualify under the program. Any remaining amount over \$25,000 will be paid to the employee as taxable income.

Administrative Leave

- In recognition of the additional hours SLOCSMA employees are required to work for emergency call-out situations, administrative leave hours will be increased from forty-eight (48) hours per fiscal year to seventy-two (72) hours per fiscal year.

As part of these contract negotiations, the County conducted a salary survey to determine how employees in SLOCSMA are paid in comparison to comparable classifications in similar agencies. Based on the results of this survey, SLOCSMA employees are paid significantly below the market median in total compensation. The wage and Cafeteria Allowance increases detailed above will help bring SLOCSMA employees closer to the median, however, total compensation will still remain below the market median. Bringing SLOCSMA employees closer to the market median in total compensation will continue to be a part of future negotiations.

The pension sharing provisions and the Cafeteria opt out provisions detailed above are part of the Board of Supervisors labor strategy for employees and the County to share equally in pension rate increases, and to help the County be more competitive in the insurance market for consideration of alternative and more affordable medical plans to County employees.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Auditor's Office, Administrative Office, and the Pension Trust participated in the development of this MOU. County Counsel has reviewed and approved the Resolution for legal form and effect. The Auditor's Office and Human Resources will process the system changes needed to implement these rate changes.

FINANCIAL CONSIDERATIONS

General Wage Adjustments

The 2.6% general wage adjustment, retroactive to the pay period including July 1, 2015, is estimated to increase the County's costs by \$59,815 for Fiscal Year 2015/16. The 2.5% general wage adjustment, effective the pay period including July 1, 2016, is estimated to increase the County's costs by \$59,010 for Fiscal Year 2016/17. Total County annual ongoing costs for general wage adjustments are estimated to be \$118,825.

VEBA

There are no County costs associated with the VEBA as the program is fully funded by an individual employee's accrued sick leave balance at the time of separation from County employment.

Total County Costs

Total County costs are estimated to increase by \$59,815 for Fiscal Year 2015/16. Total County annual ongoing costs are estimated to be \$118,825.

Departmental savings and/or unanticipated revenue will be the primary source of funding for unbudgeted expenditures associated with the compensation increases included in the attached MOU. To the extent departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficit amount out of the General Fund Contingencies and/or reserves to the department operating budgets, as needed, as part of the third quarter report. Third quarter is when many such year-end adjustments are made.

RESULTS

Approval of this Resolution will establish a new two (2) year MOU with the San Luis Obispo County Sheriffs Managers' Association (BU15) effective from July 1, 2015 through June 30, 2017. The terms and conditions outlined in the MOU are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. Approval of this Resolution follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and contributes to a results-oriented, well-governed community.

ATTACHMENTS

1. Resolution – SLOCSMA (BU15)
2. Attachment A – SLOCSMA (BU15) MOU